

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-119-C - ORDER NO. 2011-539
AUGUST 3, 2011

IN RE: Application of Advanced Communications Solutions, LLC for a Certificate of Public Convenience and Necessity to Provide Interexchange and Local Exchange Telecommunications Services and for Alternative Regulation and for Flexible Regulation)	ORDER GRANTING APPLICATION
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This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Advanced Communications Solutions, LLC ("Applicant", "ACS" or the "Company") for authority to provide local exchange and interexchange telecommunications services within the State of South Carolina (the "Application").

Further, the Company requests that the Commission regulate its local retail telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its business interexchange service offerings under modified alternative regulation as set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-166-C.

As detailed herein, the Commission grants the Applicant's request for authority and for Alternative Regulation and Flexible Regulation. The Commission further notes

that, although the deadline for issuance of this Order pursuant to S.C. Code Ann. Section 58-9-280(B)(5) was July 15, 2011, the parties have waived the statutory deadline.

The Company's Application was filed pursuant to S.C. Code Ann. Section 58-9-280, S.C. Code Ann. Section 58-9-585, and the Rules and Regulations of the Commission. By letter, the Commission instructed the Applicant to publish, one time, a prepared Notice of Filing in a newspaper of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in this proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

Subsequently, counsel for SCTC filed with the Commission a Stipulation between SCTC and the Applicant. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company, provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on June 28, 2011, at 11:00 a.m., in the Offices of the South Carolina Public Service Commission. The Honorable Randall Dong, Hearing Examiner, presided. Scott Elliott, Esquire, represented the Company. C. Lessie Hammonds, Esquire, represented the Office of Regulatory Staff ("ORS"). At the outset of the hearing, the Applicant and the ORS entered a Settlement Agreement into the record

attached hereto as Order Exhibit 2. David Funderburk, President and Managing Member of the Applicant, appeared and testified in support of the Application.

According to the record, ACS is a Georgia Limited Liability Company. Mr. Funderburk testified that the Applicant is seeking certification in South Carolina. The Applicant has received authority from the South Carolina Secretary of State to transact business within the State of South Carolina.

According to Mr. Funderburk, ACS seeks authority to provide telecommunications services throughout the State of South Carolina. ACS seeks authority to provide competitive local exchange and interexchange telecommunications services. ACS will resell or utilize the services of existing facilities-based carriers in South Carolina, including the services offered by incumbent local exchange carriers (“ILECs”) and other competitive local exchange carriers (“CLECs”). In addition, where appropriate, ACS will provide its telecommunications services through combination of unbundled network elements provided by the ILECs and other CLECs. ACS currently plans to own facilities in South Carolina in the future, and thus seeks authority to provide both facilities-based and resold local exchange and interexchange telecommunications services in South Carolina.

Mr. Funderburk further testified regarding the managerial experience of the Applicant; that ACS had substantial financial resources to ensure the viability of the Company.

Mr. Funderburk finally testified that granting ACS’s Application will introduce a telecommunications service provider committed to providing high-quality, innovative, and technologically advanced services that will further increase telecommunications

competition in the State of South Carolina. He opined that the Commission's granting of the Application is therefore in the public interest.

Mr. Funderburk testified that ACS has never had authority denied in any state where it has applied for authority nor has the Company had authority revoked in any state where it has been granted authority. Mr. Funderburk stated that the Company will abide by all applicable Commission rules, regulations, and orders upon the Company receiving certification to provide intrastate interexchange and local exchange telecommunications services in South Carolina.

The Applicant has requested certain waivers of Commission regulations. The Company requests that it be exempt from any rules or regulations that would require it to keep financial records in conformance with the Uniform System of Accounts ("USOA"). Additionally, the Company seeks a waiver of 26 S.C. Code Ann. Regs. 103-631 so that it will not be required to publish local exchange directories. The Company will contract with at least one incumbent local exchange carrier (or its directory publishing affiliate) for the inclusion of the Company's CLEC databases into the master customer database of the local exchange carrier. The Applicant requested that the Company be granted a waiver of 26 S.C. Code Ann. Regs. 103-610 so that the Company may be permitted to maintain its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters at its principal place of business. Last, the Company testified that since the Applicant's local exchange calling areas will initially mirror the service area of the incumbent local exchange carriers, the Applicant requested a waiver of the map filing requirement of 26 S.C. Code Ann. Regs. 103-612.2.3 and 103-631.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Company is a duly organized corporation which exists under the laws of the State of Georgia and has been authorized to do business in the State of South Carolina by the Secretary of State.
2. The Company is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.
3. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1).
4. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3).
5. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4).
6. The Commission finds that the services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B)(2).
7. The Commission finds that the provision of local exchange service by the Company "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5).

8. Following execution of the Stipulation with the SCTC, the SCTC has withdrawn its opposition to the Application.

9. The Settlement Agreement between the Company and the ORS is fair and reasonable and in the public interest.

CONCLUSIONS OF LAW

1. The Commission concludes that the Company possesses the managerial, technical, and financial resources to provide the competitive local exchange and interexchange telecommunications services as described in the Application.

2. The Commission concludes that the Company's "provision of service will not adversely impact the availability of affordable local exchange service."

3. The Commission concludes that the Company will participate in the support of universally available telephone service at affordable rates to the extent that the Company may be required to do so by the Commission.

4. The Commission concludes that the Company will provide services that will meet the service standards of the Commission.

5. The Commission concludes that the provision of local exchange services by the Company will not otherwise adversely impact the public interest.

6. Based on the above findings of fact, the Commission determines that a statewide Certificate of Public Convenience and Necessity should be granted to the Company to provide competitive local exchange services. In addition, the Company is granted authority to provide intrastate interexchange services through the resale of services

offered by other carriers authorized to provide telecommunications services within the State of South Carolina in accordance with tariffs approved by the Commission.

7. The Commission concludes the Company's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right, within thirty (30) days, to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

8. The Commission adopts a rate design for the long distance services of the Company consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and modified by Order No. 2001-997.

9. Under the Commission approved, modified alternative regulation, the business service offerings of the Company, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that established in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-

997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for similar carriers shall apply to the Company also.

10. With regard to the residential interexchange service offerings of the Company, the Commission adopts a rate design that includes only maximum rate levels for each tariff charge. The Commission has previously adopted a rate structure incorporating maximum rate levels. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

11. With regard to residential interexchange service rates, the Company shall not adjust its residential interexchange service rates below the approved maximum levels without notice to the Commission and to the public. The Company shall file its proposed rate changes, publish notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public

notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances that do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. Section 58-9-540.

12. We conclude that the Applicant's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted, since strict compliance with the regulation potentially causes undue hardship on the Company. We also grant exemption from the policies requiring the use of USOA. In addition, we grant waiver of 26 S.C. Code Ann. Regs. 103-631, which requires publication of a local telephone directory. Last, we grant a waiver of 26 S.C. Code Ann. Regs. 103-612.2.3, which requires filing a map of the service territory.

13. The Settlement Agreement between ORS and ACS is approved.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity is granted to Advanced Communications Solutions LLC to provide competitive local exchange and interexchange telecommunications services.

2. The terms of the Stipulation between the Company and the SCTC is approved and adopted as part of this Order. The Stipulation is attached as Order Exhibit 1.

Any proposal to provide competitive local exchange telecommunications services to rural service areas is subject to the terms of the Stipulation.

3. The Company shall file within thirty (30) days of receipt of this order its local service tariff and long distance tariff with the Commission. The Company agrees it will file its final, revised tariffs utilizing the Commission's e-filing system for tariffs. The revised tariffs should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System. The revised tariffs shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

4. The Company is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that, for access charge purposes, resellers should be treated similarly to facilities-based interexchange carriers.

5. With regard to the Company's interexchange services, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. To the extent the Company resells services, the Company shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If the Company changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, the Company shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission ("FCC"), pursuant to the Telecommunications Act of 1996 (See. 47 CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. ACS shall comply with Title 23, Chapter 47, South Carolina Code of Laws Ann. which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a 911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs the Company to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Contact with the appropriate authorities is to be made before providing voice or dial tone telephone service in South Carolina. Accompanying this Order is a memo from the State 911 Office at the Office of Research & Statistics of the South Carolina Budget and Control Board. This memo provides information about contacting County 911 Coordinators. By this Order and

prior to providing voice or dial-tone services within South Carolina, ACS is directed to contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

9. The Applicant shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, the Company shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the ORS's website at www.regulatorystaff.sc.gov.

The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Applicant to file annual financial information as directed by the Commission or ORS and shall be filed no later than April 1st. Commission gross receipts forms are due to be filed with the Commission and ORS no later than August 31st of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov; the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's

liability to the State USF fund. The Intrastate USF worksheet is to be filed annually no later than July 1st with the ORS.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. ACS shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the ORS website at www.regulatorystaff.sc.gov; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

11. The Company shall conduct its businesses in compliance with Commission decisions and Orders, both past and future.

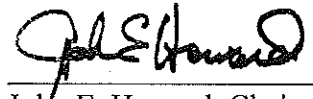
12. By its Application, the Company requested a waiver of 26 S.C. Code Ann. Regs. 103-631. In lieu of publishing local directories, the Company informs the Commission that it will contract with the incumbent LECs to provide the Company's customers with directory listings, as well as to undertake the distribution of directories. The Commission finds the Company's request reasonable and grants the requested waiver of the application of 26 S.C. Code Ann. Regs. 103-631. Further, the Company is granted a

waiver of 26 S.C. Ann. Regs. 103-610, requiring the Company to maintain its financial books and records within the State of South Carolina. The Company is hereby granted permission to maintain its financial books and records at its principal place of business. Further, the Company is granted a waiver of the requirement that books and records be maintained in accordance with the Uniform Systems of Accounts ("USOA"). The Company is directed to comply with all Rules and Regulations of the Commission, unless the Commission specifically waives compliance with a regulation. Last, the Commission grants the Applicant's request for the waiver of the requirement that it file a map of its service territory as required by 26 S.C. Code Ann. Regs. 103-612.2.3.

13. The Settlement Agreement between ACS and ORS is hereby approved and the parties shall abide by all terms of the Settlement Agreement. The Settlement Agreement is attached as Order Exhibit 2.

14. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2011-119-C

Re: Application of Advanced Communications)
Solutions, LLC for a Certificate of Public)
Convenience and Necessity to Provide Local)
Exchange and Interexchange Telecommuni-)
cations Services in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Advanced Communications Solutions, LLC ("Advanced Communications") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Advanced Communications' Application. SCTC and Advanced Communications stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Advanced Communications, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Advanced Communications stipulates and agrees that any Certificate which may be granted will authorize Advanced Communications to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Advanced Communications stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Advanced Communications stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Advanced Communications provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Advanced Communications acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Advanced Communications stipulates and agrees that, if Advanced Communications gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Advanced Communications will not provide service to any customer located within the service area in question without prior and further Commission approval.

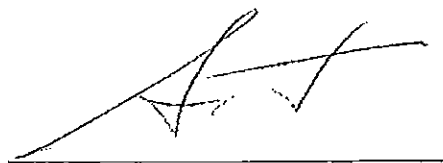
6. Advanced Communications acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Advanced Communications, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Advanced Communications agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Advanced Communications hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

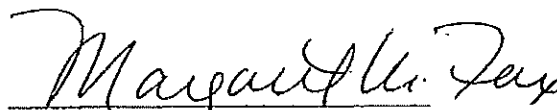
AGREED AND STIPULATED to this 2nd day of May,
2011.



Scott Elliott
Elliott and Elliott, P.A.
1508 Lady Street
Columbia, South Carolina 29201

Attorneys for Applicant Advanced
Communications Solutions, L.L.C

South Carolina Telephone Coalition:



M. John Bowen, Jr.
Margaret M. Fox
Sue-Ann Gerald Shannon
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-119-C

In Re:)	
Application of Advanced Communications))	
Solutions, LLC for a Certificate of Public))	
Convenience and Necessity to Provide))	SETTLEMENT AGREEMENT
Interexchange and Local Exchange))	
Telecommunications Services and for))	
Alternative and Flexible Regulation))	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Advanced Communications Solutions, LLC ("ACS" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on March 17, 2011, ACS filed its Application requesting: (i) a Certificate of Public Convenience and Necessity be granted authorizing the Company to provide facilities based and resold local exchange and interexchange services; (ii) flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iii) that interexchange service offerings be regulated in accordance with procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Public Service Commission of South Carolina ("Commission") Order No. 2001-997 in Docket No. 2000-407-C; (iv) waiver of certain regulations of the Commission, specifically Regulation 103-610 regarding location of records, Regulation 103-612.2.3 for operating maps, and Regulation 103-631 regarding publishing and distributing local exchange

directories; and (v) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("USOA").

WHEREAS, on March 21, 2011, counsel for ORS entered a Notice of Appearance in this matter;

WHEREAS on March 28, 2011, the Commission issued a Notice of Filing and Hearing and established a return date of April 28, 2011, for the filing of letters of protest or petitions to intervene and established a hearing date of June 20, 2011 for the Application to be heard before a hearing examiner;

WHEREAS, on April 5, 2011, the Commission issued its Order No. 2011-233 by which the Commission appointed B. Randall Dong, Esquire as the Hearing Examiner in this matter;

WHEREAS, on April 27, 2011, South Carolina Telephone Coalition ("SCTC") filed a petition to intervene and later filed a stipulation on May 2, 2011;

WHEREAS, on May 11, 2011, the Company filed the direct testimony of David Funderburk with the Commission;

WHEREAS, the purpose of this proceeding is to review the Application filed by the Company and its requests: (i) for a Certificate of Public Convenience and Necessity to provide facilities based and resold local exchange and interexchange services within the State of South Carolina; (ii) for flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iii) for waiver of certain of the Commission Regulations, specifically Regulation 103-610 regarding location of records, Regulation 103-612.2.3 for operating maps, and Regulation 103-631 concerning publishing and distributing local exchange directories, and (iv) for waiver of any requirement to maintain financial records in conformance with the USOA.

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical and managerial expertise of the Company to provide the services requested in the Application;

WHEREAS, ACS has not provided services as it is a start-up company;

WHEREAS, ORS has reviewed the financial statements of ACS's parent company, ITO, LLC, filed as Exhibit C to the Application.

WHEREAS, ORS calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by the Company and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by the Company;

WHEREAS, ORS has reviewed the pre-filed testimony of David Funderburk;

WHEREAS, as a result of its investigations, ORS has determined: (a) the Company intends to offer facilities based and resold local services and long distance services such as switched local exchange services, switched outbound (1+ dialing), toll free service, directory assistance services, operator services, private line services, Centrex and/or Centrex like services, and high capacity services such as DSL; (b) the Company's officers appear to possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, the Company appears to have access to sufficient financial resources necessary to provide the services proposed in its Application; (d) the Company's proposed tariffs with the amendments as agreed to in this Settlement Agreement and set forth in Exhibit 2 comply with Commission statutes and regulations; (e) the services provided by the Company will meet the service standards required by the Commission; (f) the provision of services by the Company will not adversely impact the availability of affordable

telecommunications services; (g) to the extent it is required to do so by the Commission, the Company will participate in the support of universally available telephone service at affordable rates; and (h) the provision of local services by the Company will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that ACS's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;

2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of the Company's witness David Funderburk without cross-examination by ORS;

3) The Company submitted financial data, which was provided as Exhibit C and to its Application, and which financial data is incorporated by reference;

4) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide facilities based and resold local exchange services and long distance services within the state of South Carolina;

5) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2010) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory

Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing the Company to maintain its books and records outside of the State of South Carolina in exchange for the Company agreeing to provide access to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in Georgia, and the Company agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2010) or § 58-9-1070 (Supp. 2010). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) The Company has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). The Company acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2010) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses associated with its South Carolina operations for compliance with programs such as but not limited to the Universal Service Fund ("USF"), the Interim LEC Fund, dual party relay service

fund, and gross receipts. The Company agrees to complete the reporting forms for such programs as but not limited to USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

7) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regulation 103-612.2.3 which requires the filing of operating area maps;

8) ORS does not oppose the Company's request pursuant to 26 S.C. Code Ann. Regulation 103-631 to make arrangements with the incumbent LECs whereby the names of ACS's customers will be included in the directories published by the incumbent LECs. ACS agrees to cause the directories to be distributed to its customers;

9) ORS does not oppose ACS's requests: (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days; and (b) for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) removal of the maximum rate tariff requirements for the Company's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (ii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within

seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iii) grant ACS the same treatment as all other carriers operating under alternative regulation in connection with any future relaxation of reporting requirements;

10) The Company agrees to resell the services only of those local exchange providers authorized to do business in South Carolina by the Commission. The Company agrees to notify ORS and the Commission, in writing, of its underlying carriers and if ACS changes its underlying carriers;

11) The Company agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as ACS. The Parties agree that such reports shall be filed pursuant to ORS's instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission requirements.

12) The Company agrees to maintain its books and records associated with its South Carolina operations in a manner that would permit ORS to examine any of ACS's reports filed with the Commission and provided to ORS.

13) The Company agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

14) In the event that the Company offers prepaid calling card or prepaid long distance services in the future, ACS agrees that it shall obtain Commission approval and post a surety bond in the amount of \$5,000 as required by the Commission;

15) In the event that the Company expands its authority and offers prepaid local exchange service, ACS agrees to comply with South Carolina Regulation 103-607 in that it will obtain a bond, irrevocable letter of credit, or certificate of deposit per the Commission's request.

17) The Company agrees to comply with South Carolina Code Ann. § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, ACS agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, the Company shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

18) To the extent necessary, the Company agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

19) The Company agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." At the time the Company offers or provides any service that would implicate Title 23, Chapter 47, the Company agrees to contact the appropriate authorities regarding 911 services in the counties and cities where it will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding the Company's operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

20) The Company agrees to comply with all orders, directives, guidelines, rules and regulations of the Commission unless the Commission has expressly waived such requirement, rule or regulation;

21) The Company agrees to file a final revised tariff with both the ORS and the Commission within thirty days of the Commission Order granting certification, and the revised tariff shall reflect and be in accordance with ORS's recommendations as set forth in Attachment 1 to this Settlement Agreement. Further, the Company agrees to file and maintain its tariff with the Commission electronic tariff filing system.

22) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

23) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the

Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

24) The Parties represent that the terms of this Settlement Agreement are based upon full and accurate information known as of the date this Settlement Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Settlement Agreement is based, either Party may withdraw from the Settlement Agreement with written notice to the other Party;

25) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

26) This Settlement Agreement shall be interpreted according to South Carolina law.

27) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement

and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

[SIGNATURES ON FOLLOWING PAGES]

WE AGREE;

Representing the South Carolina Office of Regulatory Staff

Shealy Boland Reibold

Shealy Boland Reibold, Esquire

C. Lessie Hammonds, Esquire

Office of Regulatory Staff

1401 Main Street, Suite 900

Columbia, SC 29201

Telephone: (803) 737-0800

Fax: (803) 737-0895

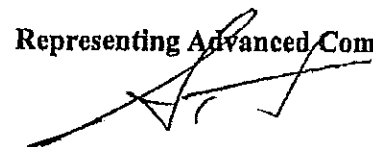
Email: sreibold@regstaff.sc.gov

5/17/11

Date

WE AGREE:

Representing Advanced Communications Solutions, LLC



Scott Elliott, Esquire
Elliott & Elliott, PA
1508 Lady Street
Columbia, SC 29201
Telephone: (803) 771-0555
Fax: (803) 771-8010
Email: selliott@elliottlaw.us

May 19, 2011
Date

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

EXHIBIT 1

MARK SANFORD, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

RICHARD ECKSTROM
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING
1000 ASSEMBLY STREET, SUITE 425
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

ECONOMIC RESEARCH
WILLIAM GILLESPIE
(803) 734-3805

GEODETIC SURVEY
3 GEOLOGY ROAD
COLUMBIA, S.C. 29210
LEWIS LAPINE
(803) 896-7700

DIGITAL CARTOGRAPHY
(803) 734-3802

HEALTH & DEMOGRAPHICS
STATISTICS
1919 BLANDING STREET
COLUMBIA, S.C. 29201
WALTER P. BAILLY, M.P.H.
(803) 898-9941

Recommendations for Advanced Communications Solutions, LLC Local Exchange Tariff

Recommendations for Local Exchange Tariff

Original Page 7 A--The Company should change "LMK" to "ACS" in the parenthetical statement.

Section 1--Technical Terms and Abbreviations

--There are no recommendations for Section 1.

Section 2-Rules and Regulations

--There are no recommendations for Section 2.

Section 3-Description of Services

Original Page 34 3.1.7--The Company should correct the typo (callas) in "Anonymous Call Reject."

Section 4-Rates

Original Page 40 4.8.3--The Company may want the maximum rates to be higher than current rates so that the Company may have the flexibility to increase rates in the future.

Original Page 40 4.8.4--The Company may want the maximum rates to be higher than current rates so that the Company may have the flexibility to increase rates in the future.

Tariff Recommendations for Advanced Communications Interexchange Tariff

Table of Contents

Original Sheet No. 3--The Company should remove "2.14 Taxes" as there is no section within the tariff.

Original Sheet No. 4---Section 3, 3.1, 3.2 should be page 28. Section 3.3-3.4.2 should be 29. Section 3.4.3 and 3.4.4 should be page 30. Section 3.5-3.7 should be page 31.

Section 1-Technical Terms and Abbreviations

--There are no recommendations for Section 1.

Section 2-Rules and Regulations

Original Sheet No. 17 2.8.6.B—The Company should modify the sentence as follows—
“Second, if there is still disagreement over the disputed amount after the investigation and review by a manager of the Company, the Customer may contact the South Carolina *Office of Regulatory Staff* for its investigation at the following address and/or phone number:”

Original Sheet 20 2.12—The Company should modify the regulation in the last sentence to “103-621.”

Original Sheet No. 27 2.17.1-2.17.4—The Company should remove this section in its entirety and adjust pagination and section ordering as appropriate. The Commission will issue Regulatory Requirements within its Order granting the certificate.

Original Page 28-37—The footnote lists the effective date as 2009. This should be modified on all pages from 28-37.

Section 3-Description of Service

Original Page 31 3.5—The last sentence should be modified as follows—“all promotional offerings will be filed with the Commission with specific starting and ending dates.”

Section 4-Rates

Original Page 32 4.1.2—The Company should include a maximum as well as current rate to any charges that may affect residential subscribers.

Original Page 32 4.1.3—The Company should include a maximum as well as current rate to any charges that may affect residential subscribers.

Original Page 32 4.1.4—The Company should include a maximum as well as current rate to any charges that may affect residential subscribers.

Original Page 33 4.2.1—The Company may consider making the maximum rates approximately two times (2X) the current rate to allow for flexibility in pricing.

Original Page 33 4.2.2— The Company may consider making the maximum rates approximately two times (2X) the current rate to allow for flexibility in pricing.

Original Page 33 4.2.3— The Company may consider making the maximum rates approximately two times (2X) the current rate to allow for flexibility in pricing.

Original Page 33 4.2.4— The Company may consider making the maximum rates approximately two times (2X) the current rate to allow for flexibility in pricing.

Original Page 35 4.3—The Company should include a maximum as well as a current rate (for MRC and NRC) for any charges that may affect residential subscribers. The Company

may want the maximum rates to be higher than current rates so that the Company may have the flexibility to increase rates in the future.

Original Page 36 4.5—The Company needs only to have a current rate for directory assistance. No maximum or minimum is required.

Original Page 37 4.7--The Company should remove the following phrase—“and made part of this tariff.”

Additional Recommendations for Tariffs

- 1) The Company may be required to file a bond in order for the Company to comply with new SC Reg. 103-607.
- 2) If the Company charges any installation, connection, maintenance, or termination charges, etc. (in addition to the services listed in the tariff), these additional charges and the descriptions of the charges should be listed in the tariff with their current and maximum rates.
- 3) The Company is applying for Flexible Regulation. Therefore, the Company will include maximum rates as well as current rates for all services within the Local Exchange Tariff.
- 4) The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (SC Reg. 103-629).
- 5) If the Company's Services involve Prepaid Calling Cards, the Company will be required to post a \$5, 000 Surety Bond with the Public Service Commission.
- 6) The Company is applying for Modified Alternate Regulation by the PSC for its Interexchange tariff. As a general rule, the Company should include maximum rates and current rates for any service that may impact residential Customers. Any service that impacts Business Long Distance, Consumer Cards, and Operator Services (Including Directory Assistance) are exempt from maximum rates. Only current rates would need to be filed for these services.